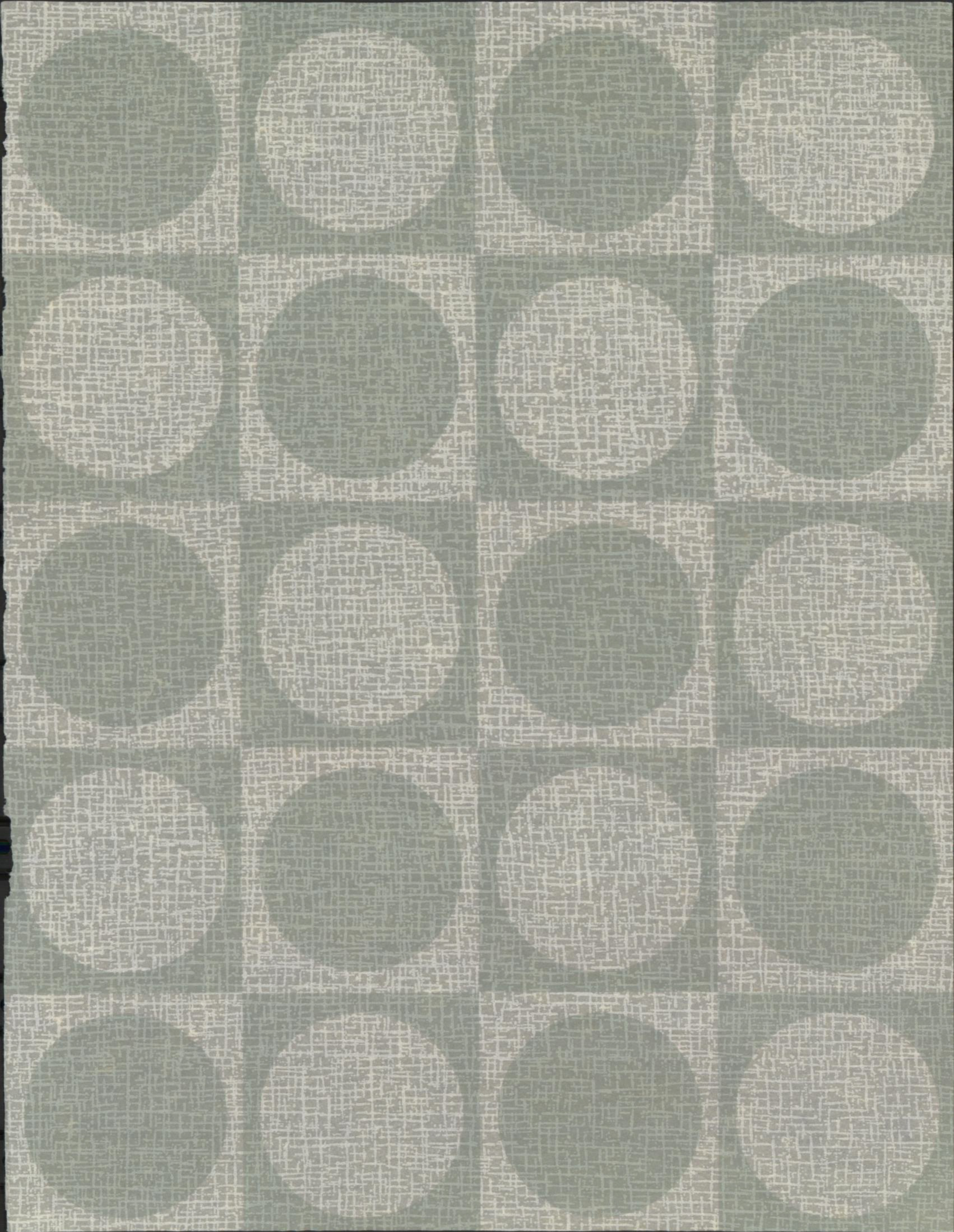
# Associated Coca-Cola Bottling Co., Inc./Annual Report

# 1971

Coca-Cola
TRADE MARK REGISTERED

# CONTENTS

Financial Summary 1
Letter to Shareholders 2
Pictorial Display of Company Products 3
Pictures of Walt Disney World including Coca-Cola sponsored Refreshment Corner and Tomorrowland Terrace 7
Scenes of Cooler Service Center in Orlando and Glass Recycling Depot in Philadelphia 9
Year in Review 10
Consolidated Statement of Income and Retained Earnings 12
Consolidated Statement of Financial Position 13
Consolidated Statement of Changes in Financial Position 15
Notes to Consolidated Financial Statements 16
Report of Certified Public Accountants 17
Company History 19
Manufacturing and Distribution Centers 20
Directors and Officers 22

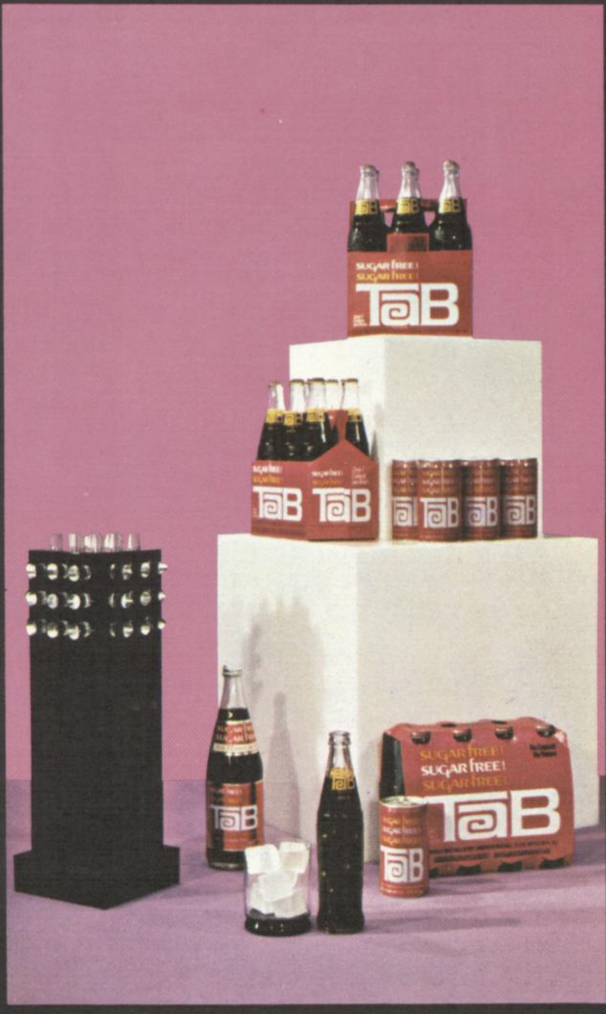


Ginger Ale
Santiba
Ginger Ale

Coca-Cola
Coke

Sprite
TRADE-MARK ®
Sprite
Sprite
Sprite

DORIC
ORANGE
FLORIDA
GRAPEFRUIT
TREAT
DORIC
ORANGE JUICE


SUGAR free!
SUGAR free!
TaB
TaB
TaB
SUGAR free!
SUGAR free!
SUGAR free!
TaB

NO DEPOSIT
NO REFILL
Dr Pepper

FANTA
GINGER ALE
FANTA
GRAPE
FANTA
FANTA
FANTA
FANTA
FANTA
FANTA
FANTA
ORANGE

ASSOCIATED COCA-COLA BOTTLING CO., INC.
Annual Report for the Year Ended December 31, 1971

CLEVELAND PUBLIC LIBRARY
BUSINESS IN[illegible]
CORPORATION FILE

## FINANCIAL SUMMARY

| | 1971 | 1970 |
|---|---|---|
| **FOR THE YEAR** | | |
| Net Revenues | $ 89,789,000 | $ 89,326,000 |
| Net Income | $ 4,728,000 | $ 3,431,000 |
| Per Share | $ 1.60 | $ 1.21 |
| Average Shares of Stock Outstanding | 2,959,425 | 2,835,586 |
| Cash Flow from Operations | $ 8,934,000 | $ 8,273,000 |
| Cash Dividends Per Share | $ .50 | $ .38 |
| **AT YEAR-END** | | |
| Current Assets | $ 19,334,000 | $ 14,308,000 |
| Current Liabilities | $ 9,146,000 | $ 10,626,000 |
| Working Capital | $ 10,188,000 | $ 3,682,000 |
| Current Ratio | 2.11 | 1.35 |
| Total Assets | $ 54,306,000 | $ 51,347,000 |
| Long-Term Debt | $ 5,541,000 | $ 7,353,000 |
| Stockholders' Equity | $ 37,787,000 | $ 30,577,000 |
| Per Share | $ 12.58 | $ 10.69 |
| Number of Stockholders | 3,470 | 2,973 |
| Shares Issued and Outstanding | 3,004,852 | 2,859,052 |

The year 1971 was a successful and eventful period for Associated. Revenues and net income reached record levels — the quarterly dividend was increased — a 2 for 1 stock split was effected — St. Louis Coca-Cola Bottling Company was sold — and 100,000 shares of newly-issued Common Stock were sold in a public offering. The combination of these and other events served to materially improve the financial condition of the Company and position it for continued future growth and development.

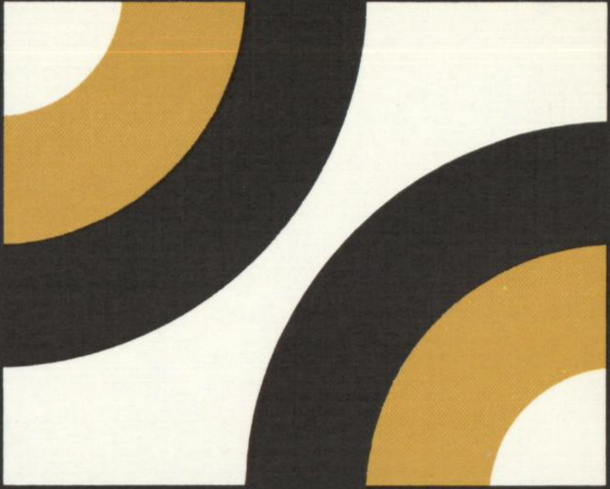
For the fourth consecutive year, both sales and earnings reached new highs. Revenues for 1971 totalled $89,789,000, as compared to $89,326,000 for the year 1970, but the dimension of our sales increase was obscured by the disposition of St. Louis Coca-Cola Bottling Company in April of 1971. This wholly-owned subsidiary contributed sales of $2,740,000 during the January 1 - April 9 period of 1971, as compared to $10,776,000 during the full year of 1970. Net income for 1971 increased to $4,728,000, as compared to $3,431,000 for 1970. Net income per share of $1.60 for 1971 on 2,959,425 average number of shares outstanding, as compared to $1.21 in 1970 on 2,835,586 average number of shares outstanding was also affected by the St. Louis transaction, since St. Louis Coca-Cola recorded a loss of 4c per share during the January 1 - April 9 period of 1971, as compared to a 15c loss per share during the full year of 1970.

In February, 1971, a 2 for 1 stock split was proposed to stockholders and at the same time, the quarterly dividend was increased from 22c per share to 25c per share (equivalent to 12½c on the split stock). The stock split became effective at the close of business April 19, 1971.

While all marketing areas of the Company contributed to our record year, the performance of our Florida operation was particularly impressive. Favored by excellent weather during the year and a substantial increase in both tourists and permanent residents, Florida Coca-Cola Bottling Company recorded sizeable gains in both sales and earnings. The Walt Disney World Magic Kingdom theme park, located 15 miles from our Orlando plant, opened in October, 1971, and from opening day has exceeded the most optimistic attendance projections. Original estimates of 8 million visitors the first year have recently been revised to 10-12 million. Sales of our products within the theme park have also exceeded

*Please turn to page 6*

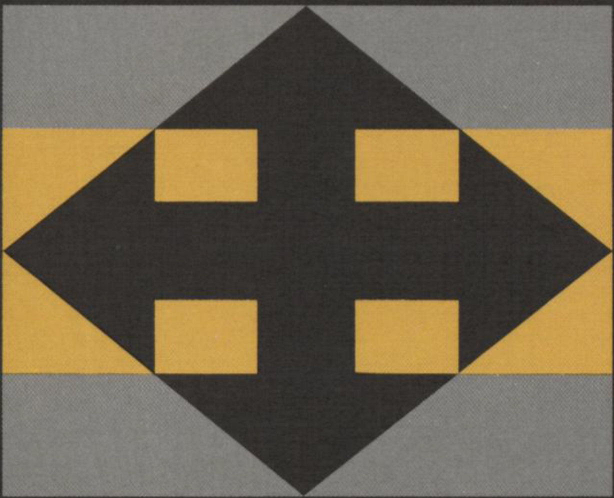
Sunny Delight
FLORIDA
CITRUS PUNCH



Quinine Water
Island Mist
Santiba
Quinine Water
Santiba
Island Mist

Pennsylvania Dutch
Draft Birch Beer
Holiday
Holiday
Holiday
10 Oz Size No Deposit No Return
SUN-RISE
GRAPE SODA

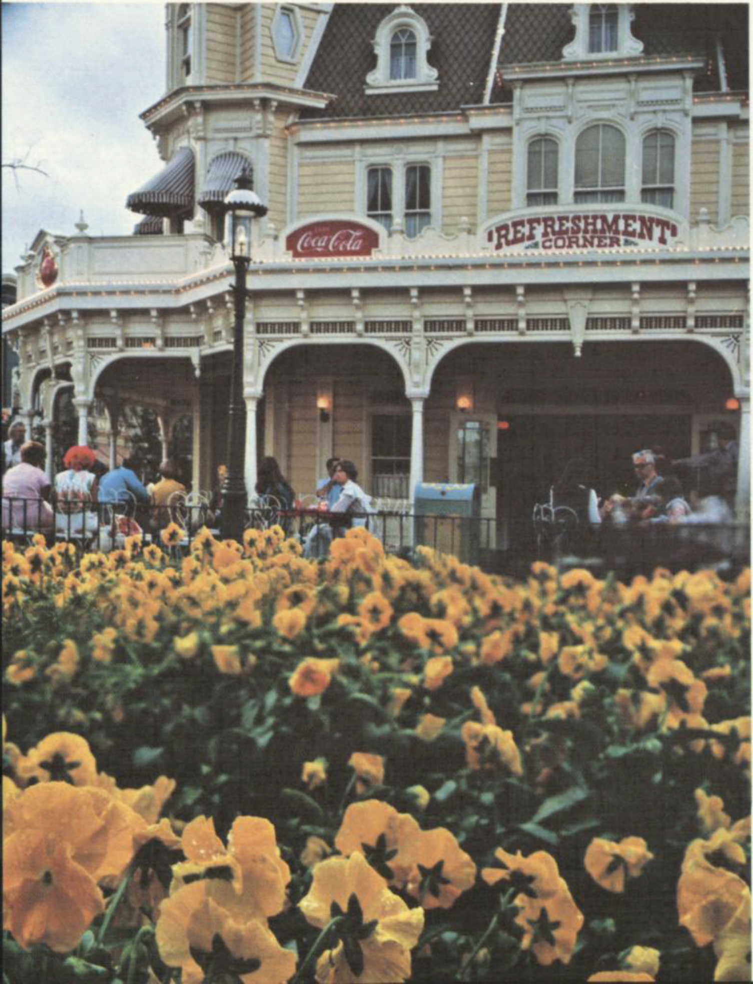
FRESCA
Fresca
ONLY 2 CALORIES per 8 oz. serving
FRESCA
Fresca
sca
NO DEPOSIT · NO RETURN
ONLY 2 CALORIES per 8 oz. serving
SUGAR FREE
Fresca
Fresca



PIL-MAR
FLORIDA
ORANGE JUICE
PIL-MAR
ORANGE JUICE
TIP TOP
FLORIDA
CITRUS PUNCH

Royal Palm
GINGER ALE
ORANGE SODA
GINGER ALE
GRAPE SODA
ROOT BEER

Dr Pepper
Dr Pepper
Dr Pepper
Dr Pepper


Coca-Cola
REFRESHMENT CORNER

SALADS
SANDWICHES

Coca-Cola

projections, and support the revised estimates. However, more important to our Company are the long-term benefits from population growth and economic activity that this fabulous attraction will generate — not only to the Central Florida area — but throughout the entire State. In the few short months since its opening, the impact of Walt Disney World has already been noticed.

As mentioned earlier in this report, the financial condition of the Company was materially improved during the year. Working capital increased approximately $6,500,000 while payments of $3,582,000 were made to reduce long-term debt. The most notable factors responsible for this healthy condition were (1) an increase in net income of $1,297,000, (2) net proceeds of $3,886,000 from the sale of St. Louis Coca-Cola Bottling Company, and the resultant elimination of the continual drain on working capital in past years, (3) net proceeds of $3,549,000 from the sale of Common Stock (100,000 shares in a public offering and 45,800 shares for stock options exercised by employees), and (4) a carefully managed capital expenditure program in which additions to property, plant and equipment were approximately the same as annual depreciation charges. The resultant increase in our cash balance and the low debt position will allow the Company to be aggressive — yet selective — in its future expansion plans.

During the latter part of 1971, Florida Coca-Cola Bottling Company completed the purchase of the Coca-Cola bottling rights and operating assets of Palatka Coca-Cola Bottling Company, Palatka, Florida and Green Cove Coca-Cola Bottling Co., Green Cove Springs, Florida, both companies being contiguous to our Florida operations. On September 1, 1971, Associated acquired all the outstanding stock of Coca-Cola Bottling Company of South Jersey, Atlantic City, New Jersey. This company, serving an area of south New Jersey including the cities of Atlantic City, Vineland, and Bridgeton, was merged into The Philadelphia Coca-Cola Bottling Company, another wholly-owned subsidiary, effective at the close of business December 31, 1971. In October, Associated was asked by the Federal Trade Commission to supply information concerning this acquisition and certain other acquisitions to enable the Commission to examine their competitive

*Please turn to page 8*

Coca-Cola
16 Oz. Size
Coke
money back bottles return for deposit
10 Oz. Size No Deposit No Return
Coke
10 Oz. Size
Coca-Cola
money back bottles return for deposit
Six 10 Oz. Bottles
No Deposit No Return
Coca-Cola
Real holidays call for the real thing. Coke.
Eight Bottles
Coca-Cola
money back bottles return for deposit
Coke
here's the real thing
Coca-Cola
Coke
Coke
Coke
Coca-Cola

effect, in order to determine if such acquisitions might be in violation of the statutes enforced by it. We understand that similar inquiries have been made of other soft drink bottlers. The Company, which is in the process of supplying the information to the FTC, believes that its acquisitions have not had an adverse effect on competition, and that the inquiry appears to be related to the Commission's proceeding against the major soft drink companies described below.

During July, 1971, the Federal Trade Commission issued formal complaints against a number of soft drink firms, including The Coca-Cola Company, attacking the validity of the territorial restrictions in their bottlers contracts. Our Company is not a party in these proceedings. The Coca-Cola Company has stated its intention to defend its position vigorously and legal proceedings are now taking place. These proceedings will probably be quite lengthy and it may be several years before a final decision is rendered. Although we cannot forecast the final outcome or its effect, if any, on the industry or our Company, it is our opinion at this time that Associated will not be adversely affected.

We believe our plans for the year 1972 will insure a continuation of the growth we have experienced during the past. We base this belief on several essential factors necessary for any successful business. Coca-Cola and our other products are the finest in our industry. Our marketing areas are viable, growing in both population and economic activity. Our operating facilities, after several years of concentrated effort and sizeable capital investment, are modern, efficient, and geographically balanced in relation to the markets we serve. Our financial condition is the strongest in the Company's history. And last, but certainly not least, our personnel — at all levels of the organization chart — are experienced, attuned to our industry, and completely devoted to the products we sell and to the Company's success.

Chapman S. Root

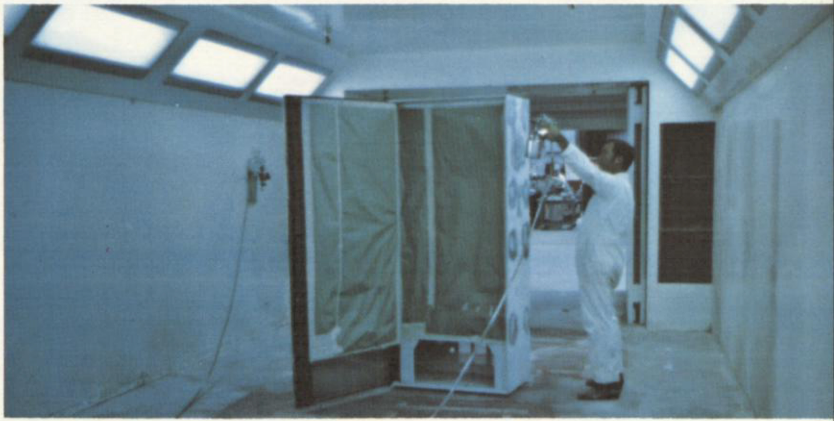
Chapman S. Root
*Chairman*

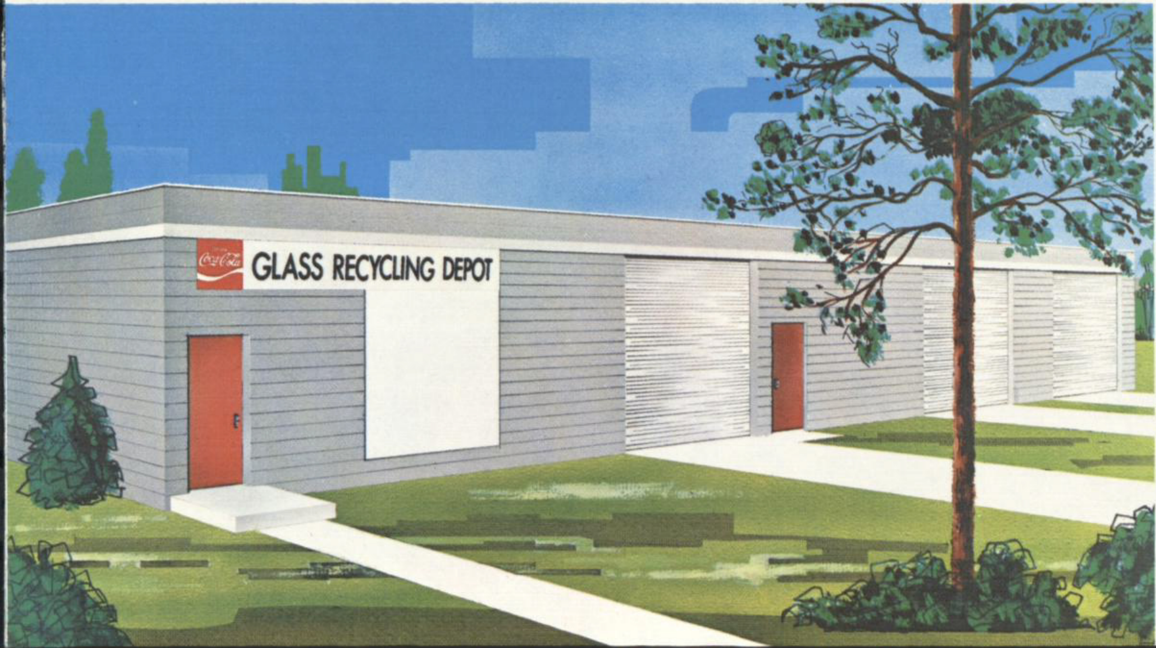
Berrien D. Sutton

Berrien D. Sutton
*President*

Coke
Coca-Cola
Coke
Coca-Cola

SMOKING




Coca-Cola
GLASS RECYCLING DEPOT

## NOTABLE EVENTS IN 1971

JANUARY • Departed from the soft drink industry's traditional "driver-salesman" method of selling by moving to new "advance selling" technique in selected markets to reduce distribution costs.

FEBRUARY • Board of Directors increased the quarterly dividend 14% from 22c to 25c, and proposed a 2 for 1 split of the Company's Common Stock.

MARCH • Filed a registration statement with the Securities and Exchange Commission for an underwritten public offering of 400,000 shares of split Common Stock, consisting of 100,000 shares to be issued by the Company and a secondary offering of 300,000 shares by a major stockholder.

APRIL • Sale of the Company's investment in St. Louis Coca-Cola Bottling Company was consummated for $4,020,000 cash.

• Proposed 2 for 1 stock split was approved by shareholders at the Annual Meeting and thereby became effective April 19, 1971.

• Registration statement for public offering of Common Stock became effective and underwriting was successfully completed on April 21, 1971.

• Dr Pepper introduced in Upstate New York market.

JUNE • Construction completed and operations commenced in new vending equipment refurbishment center in Orlando, to serve the Company's entire Florida market.

JULY • The Philadelphia Coca-Cola Bottling Company introduced new product "Pennsylvania Dutch Birch Beer" in Philadelphia/ Camden market.

AUGUST • Construction of new Lakeland, Florida distribution center completed; production terminated at old Lakeland bottling facility.

• Introduction of new 32 oz. returnable package of Coca-Cola in screw-top bottle of familiar Coca-Cola contour design.

SEPTEMBER • Associated acquired all of the outstanding capital stock of Coca-Cola Bottling Company of South Jersey serving the principal cities of Atlantic City, Bridgeton, Vineland, N. J. and surrounding areas.

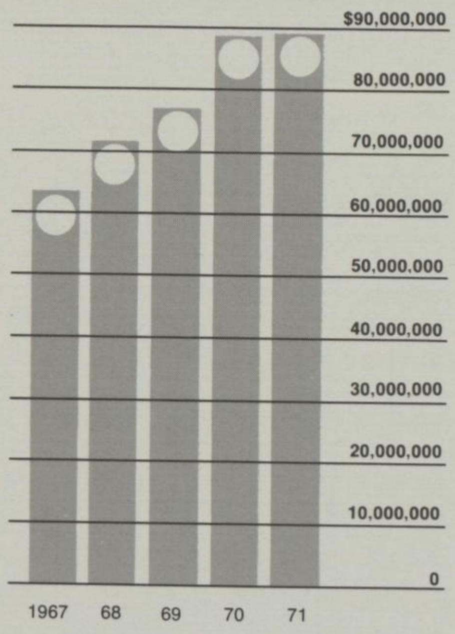
OCTOBER • Opening of Walt Disney World Magic Kingdom near Orlando, Florida heralded tremendous growth for the State of Florida and the territory served by Associated's Florida Coca-Cola Bottling Company.

NOVEMBER • Florida Coca-Cola Bottling Company acquired the Coca-Cola bottling franchises and businesses at Palatka and Green Cove Springs, Florida.

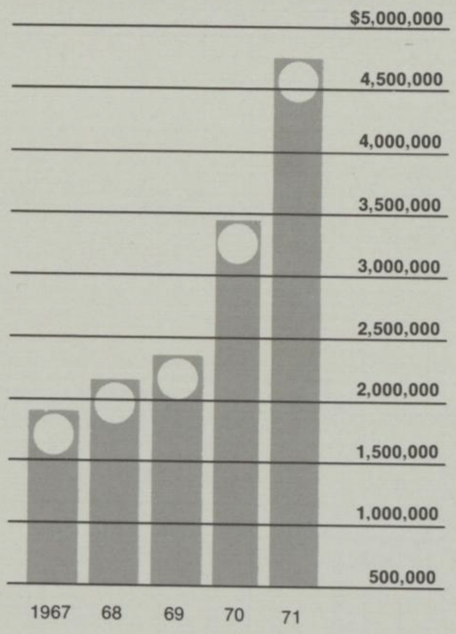
DECEMBER • Terminated production at Atlantic City bottling facility to supply product for South Jersey market from Camden and Philadelphia production facilities and merged Coca-Cola Bottling Company of South Jersey into Associated's wholly-owned subsidiary, The Philadelphia Coca-Cola Bottling Company.

• Completed a record year for the Company in sales, earnings and financial strength.

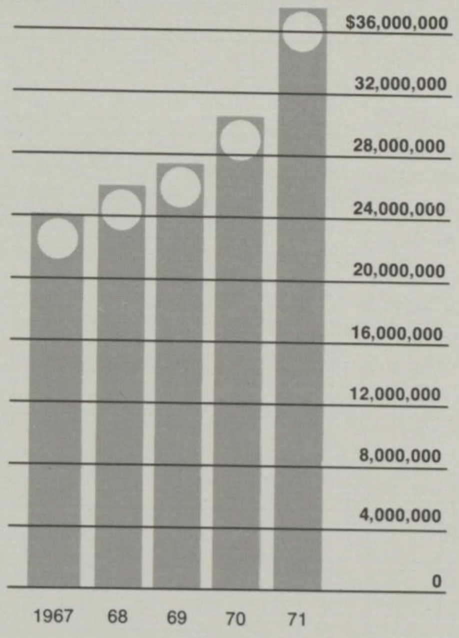
NET REVENUES



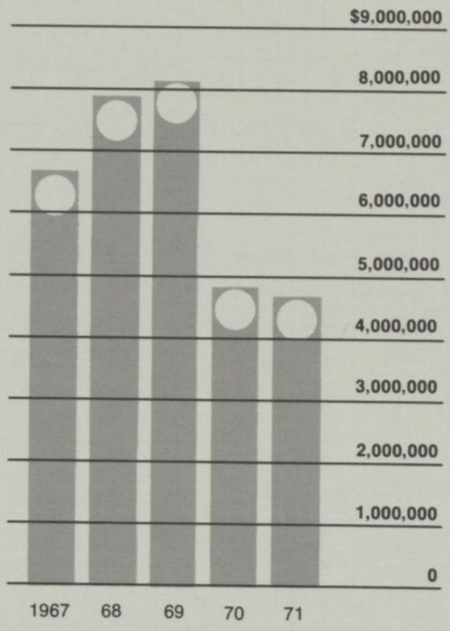
NET INCOME



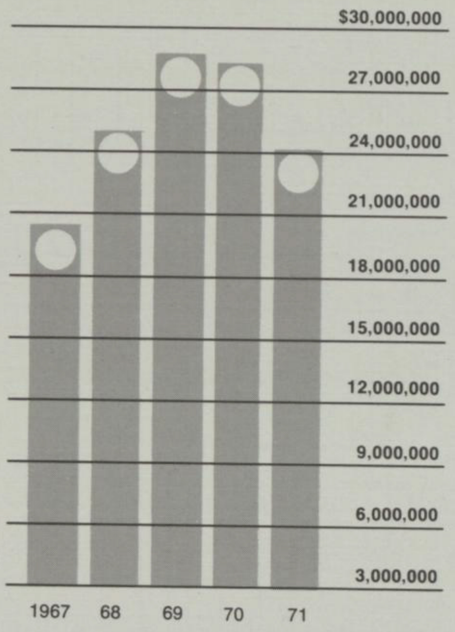
STOCKHOLDERS' EQUITY
(As at December 31)



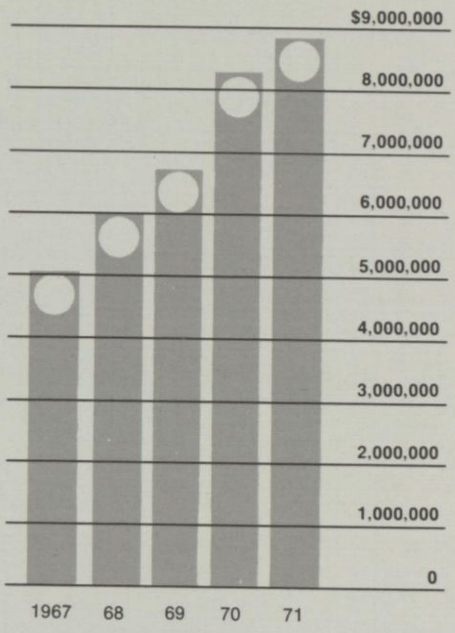
CAPITAL ADDITIONS



NET FIXED ASSETS
(As at December 31)



CASH FLOW
(From Operations)



ASSOCIATED COCA-COLA BOTTLING CO., INC.

# CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

Years ended December 31, 1971 and 1970

| | 1971 | 1970 |
|---|---|---|
| NET REVENUES | $89,789,000 | $89,326,000 |
| COSTS AND EXPENSES: | | |
| Cost of sales | 51,256,000 | 50,979,000 |
| Selling and distribution | 21,140,000 | 22,537,000 |
| General and administrative | 7,914,000 | 8,187,000 |
| Interest | 513,000 | 824,000 |
| Provision for federal income taxes | 4,238,000 | 3,368,000 |
| | 85,061,000 | 85,895,000 |
| NET INCOME — $1.60 per share in 1971; $1.21 in 1970 | 4,728,000 | 3,431,000 |
| RETAINED EARNINGS AT BEGINNING OF YEAR | 18,804,000 | 16,027,000 |
| | 23,532,000 | 19,458,000 |
| DIVIDENDS DECLARED — $.50 per share in 1971; $.38 in 1970 | 1,067,000 | 654,000 |
| RETAINED EARNINGS AT END OF YEAR | $22,465,000 | $18,804,000 |

*See accompanying notes.*

## LIABILITIES AND STOCKHOLDERS' EQUITY

| | 1971 | 1970 |
|---|---|---|
| CURRENT LIABILITIES: | | |
| Accounts payable | $ 4,488,000 | $ 4,421,000 |
| Federal income taxes | 1,309,000 | 1,909,000 |
| Accrued liabilities - | | |
| Compensation and related items | 715,000 | 1,056,000 |
| Pension contributions | 649,000 | 730,000 |
| Other | 537,000 | 544,000 |
| Dividends payable | 271,000 | 191,000 |
| Current maturities of long-term debt | 1,177,000 | 1,775,000 |
| TOTAL CURRENT LIABILITIES | 9,146,000 | 10,626,000 |
| LONG-TERM DEBT | 5,541,000 | 7,353,000 |
| DEPOSITS ON RETURNABLE CONTAINERS (relating to subsidiary sold in 1971) | | 675,000 |
| DEFERRED COMPENSATION | 437,000 | 445,000 |
| DEFERRED FEDERAL INCOME TAXES | 1,395,000 | 1,671,000 |
| STOCKHOLDERS' EQUITY: | | |
| Capital stock, $.50 par value -<br>Authorized - 4,000,000 shares<br>Issued and outstanding - 3,004,852 shares in 1971; 2,859,052 shares in 1970 | 1,502,000 | 1,430,000 |
| Capital in excess of par value | 13,820,000 | 10,343,000 |
| Retained earnings | 22,465,000 | 18,804,000 |
| | 37,787,000 | 30,577,000 |
| | $54,306,000 | $51,347,000 |

ASSOCIATED COCA-COLA BOTTLING CO., INC.

# CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

Years ended December 31, 1971 and 1970

| | 1971 | 1970 |
|---|---|---|
| SOURCE OF WORKING CAPITAL: | | |
| Operations - | | |
| Net income | $ 4,728,000 | $ 3,431,000 |
| Items affecting net income but not requiring working capital: | | |
| Depreciation determined by straight line method | 4,042,000 | 4,498,000 |
| Deferred federal income taxes | 97,000 | 249,000 |
| Other | 67,000 | 95,000 |
| **Total from operations** | 8,934,000 | 8,273,000 |
| Proceeds from public issue of Common Stock | 3,072,000 | |
| Proceeds from exercise of stock options | 477,000 | 267,000 |
| Financing for acquisitions and buildings | 896,000 | 403,000 |
| Net proceeds from sale of subsidiary | 3,886,000 | |
| Other | ( 18,000) | 123,000 |
| | 17,247,000 | 9,066,000 |
| DISPOSITION OF WORKING CAPITAL: | | |
| Additions to property, plant and equipment (after deducting net book value of property disposed of — $449,000 in 1971; $702,000 in 1970) | 3,635,000 | 4,070,000 |
| Businesses acquired, excluding net working capital — | | |
| Property, plant and equipment | 1,116,000 | 88,000 |
| Territorial bottling rights | 1,579,000 | 183,000 |
| Long-term debt assumed | ( 640,000) | |
| Other | 32,000 | 71,000 |
| | 2,087,000 | 342,000 |
| Current maturities and prepayments of long-term debt | 3,952,000 | 3,527,000 |
| Cash dividends declared | 1,067,000 | 654,000 |
| | 10,741,000 | 8,593,000 |
| INCREASE IN WORKING CAPITAL | 6,506,000 | 473,000 |
| Decrease (increase) in elements of working capital affecting cash and short-term investments: | | |
| Accounts and notes receivable | ( 103,000) | ( 51,000) |
| Inventories | 31,000 | ( 661,000) |
| Accounts payable and accrued liabilities | ( 362,000) | 753,000 |
| Federal income taxes | ( 600,000) | 1,098,000 |
| Current maturities of long-term debt | ( 598,000) | ( 106,000) |
| Other — net | 130,000 | 71,000 |
| NET INCREASE IN CASH AND SHORT-TERM INVESTMENTS | $ 5,004,000 | $ 1,577,000 |

*See accompanying notes.*

ASSOCIATED COCA-COLA BOTTLING CO., INC.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 1971 and 1970

## ASSETS

| | 1971 | 1970 |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash | $ 1,551,000 | $ 2,068,000 |
| Short-term investments, at cost which approximates market | 7,500,000 | 1,979,000 |
| Accounts and notes receivable, principally trade | 5,058,000 | 4,955,000 |
| Inventories | 5,037,000 | 5,068,000 |
| Prepaid expenses | 188,000 | 238,000 |
| TOTAL CURRENT ASSETS | 19,334,000 | 14,308,000 |
| OTHER ASSETS: | | |
| Noncurrent accounts and notes receivable | 194,000 | 246,000 |
| Cash value of life insurance, less 5% policy loans of $614,000 in 1970 | 788,000 | 109,000 |
| Other | 136,000 | 173,000 |
| | 1,118,000 | 528,000 |
| PROPERTY, PLANT AND EQUIPMENT, AT COST: | | |
| Land | 2,254,000 | 2,400,000 |
| Buildings | 13,849,000 | 15,264,000 |
| Plant equipment | 10,034,000 | 10,740,000 |
| Delivery equipment | 8,590,000 | 8,178,000 |
| Vending equipment and containers | 12,323,000 | 15,418,000 |
| | 47,050,000 | 52,000,000 |
| Less accumulated depreciation and amortization | 22,860,000 | 23,699,000 |
| | 24,190,000 | 28,301,000 |
| TERRITORIAL BOTTLING RIGHTS | 9,664,000 | 8,210,000 |
| | $54,306,000 | $51,347,000 |

*See accompanying notes.*

## PRINCIPLES OF CONSOLIDATION

The accompanying consolidated financial statements include the accounts of Associated Coca-Cola Bottling Co., Inc. ("Associated") and its subsidiaries, all of which are wholly-owned, (collectively referred to as "Company").

## STOCK SPLIT AND PUBLIC OFFERING

Effective April 19, 1971, Associated (i) amended its certificate of incorporation to change the authorized common stock from 2,000,000 shares of $1 par value to 4,000,000 shares of $.50 par value, (ii) effected a 2-for-1 split of the outstanding common stock (accordingly, all references herein to common stock and per share data give effect to the 2-for-1 split), and (iii) sold 100,000 shares of common stock in a public offering for $3,090,000 less expenses of $18,000 of which $50,000 was credited to capital stock and the balance ($3,022,000) was credited to capital in excess of par value.

## SALE OF SUBSIDIARY

On April 9, 1971, Associated sold its wholly-owned subsidiary, St. Louis Coca-Cola Bottling Company, ("St. Louis") for $4,020,000 cash, resulting in an insignificant net loss. Net sales of St. Louis included in the accompanying consolidated financial statements were $2,740,000 and $10,776,000 in 1971 and 1970, respectively; the related net losses included for the same periods were $107,000 ($.04 loss per share) and $427,000 ($.15 loss per share), respectively. The operations of St. Louis reflect certain transactions with affiliates on terms established by the Company.

## ACQUISITIONS

The Company acquired, in transactions accounted for as purchases, the businesses of three bottling companies in 1971 and two bottling companies and a multi-line vending business in 1970. The operations of these businesses (which are not material in relation to the accompanying consolidated financial statements) have been included since dates of acquisition.

## TERRITORIAL BOTTLING RIGHTS

The Company has contracts with The Coca-Cola Company giving it rights to bottle and and sell Coca-Cola and related products in specified territories. The carrying value of the rights represents principally the costs allocated to them on acquisition of certain subsidiaries, including those acquired in 1971 and 1970. These costs are not being amortized as management believes there is no diminution of the aggregate value of the rights and that the amortization (if required) applicable to those acquired in 1971 would be immaterial.

## INVENTORIES

Inventories are stated at the lower of cost (as defined below) or replacement market.

| | 1971 | 1970 |
|---|---|---|
| Finished product (standard cost which approximates actual) | $1,973,000 | $1,893,000 |
| Raw materials and supplies (first-in, first-out cost) | 1,055,000 | 1,009,000 |
| Vending machines (specific unit cost) | 517,000 | 433,000 |
| Containers (first-in, first-out cost, if new, or deposit value) | 1,492,000 | 1,733,000 |
| | $5,037,000 | $5,068,000 |

## FEDERAL INCOME TAXES

The provision for federal income taxes (i) includes deferred taxes of $97,000 in 1971 ($249,000 in 1970) for differences between financial and tax accounting treatments relating principally to accelerated depreciation and deferred compensation and (ii) has been reduced for insignificant amounts of investment tax credits generated in each year.

## RETIREMENT PLANS

The Company's policy is to fund pension costs accrued. The amounts charged to operations for current and past service costs under defined benefit plans aggregated $647,000 in 1971 ($736,000 in 1970). At December 31, 1971, the unfunded past service costs under the qualified trusteed retirement plans covering substantially all employees amounted to approximately $5,261,000, which are being amortized over 25 - 35 years.

### LONG-TERM DEBT

Long-term debt, excluding current maturities, consists of the following:

| | 1971 | 1970 |
|---|---|---|
| Bank term loan, interest at ½ of 1% above prime rate, payable in instalments to 1974. ........... | $ 750,000 | $1,250,000 |
| 5½% to 7½% instalment notes payable in varying amounts to 1985, including $1,680,000 ($1,495,000 in 1970) which may become due as demanded on one year's notice at the option of the noteholders ... | 2,898,000 | 2,962,000 |
| Bank term loan, interest based on prime rate (paid in 1971) .................. | | 2,192,000 |
| 6% to 8½% mortgage notes due in instalments to 1991 ................... | 1,232,000 | 742,000 |
| Notes payable in varying annual amounts to 1985 .. | 661,000 | 207,000 |
| | $5,541,000 | $7,353,000 |

The aggregate annual maturities of long-term debt for the five years after December 31, 1971 are $1,177,000 in 1972, $1,161,000 in 1973, $917,000 in 1974, $513,000 in 1975, and $331,000 in 1976, assuming that none of the noteholders having a right to demand payment on one year's notice elects to enforce such right.

### STOCK OPTIONS

At December 31, 1971, options to purchase 14,900 shares of common stock at $10.375 to $10.75 per share were outstanding and exercisable under the Company's qualified stock option plan. Options as to 54,500 shares were available for grant under the plan.

During 1971 and 1970, options were exercised with respect to 45,800 and 25,700 shares and capital in excess of par value was increased $455,000 and $254,000, representing the excess of the proceeds over the par value of the shares issued upon exercise of the stock options. Options as to 24,000 and 2,000 shares became exercisable during 1971 and 1970 respectively and, in 1970, options as to 24,000 shares were granted at $10.375 to $10.75 per share. Options with respect to 2,000 shares were canceled during 1971.

### DIVIDEND WAIVER

At December 31, 1970, the issued and outstanding common stock included 1,120,000 shares held by the majority stockholder, on which cash dividends were waived. Such waivers terminated as to 280,000 shares on January 1, 1971 and terminate as to an additional 280,000 shares on each January 1 of 1972 through 1974 with respect to cash dividends declared after each of said dates.

## REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

The Board of Directors and Stockholders
Associated Coca-Cola Bottling Co., Inc.

We have examined the accompanying consolidated statement of financial position of Associated Coca-Cola Bottling Co., Inc. at December 31, 1971 and the related consolidated statements of income and retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. We have previously made a similar examination of the financial statements for the prior year.

In our opinion, the statements mentioned above present fairly the consolidated financial position of Associated Coca-Cola Bottling Co., Inc. at December 31, 1971 and 1970 and the consolidated results of operations and the consolidated changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis during the period.

ARTHUR YOUNG & COMPANY

Chicago, Illinois
February 15, 1972

REFRESHMENT CORNER
Coca-Cola
Coca-Cola

1901 ● Root Glass Company, of Terre Haute, Indiana, founded by C. J. Root, to produce glass products including carbonated beverage bottles.

1916 ● The Coca-Cola Company adopts new bottle designed by Root Glass Company which becomes an identifying symbol of Coca-Cola.

1932 ● During past sixteen years Root Glass Company acquired minority and majority interests in many Coca-Cola bottling companies. In 1932 Coca-Cola bottling business becomes main interest and glass manufacturing business is sold to Owens-Illinois Glass Company.

1939 ● Associated Coca-Cola Bottling Plants, Inc. is organized to hold the various Coca-Cola bottling plant interests.

1950 ● Chapman S. Root elected President of Associated.

1951 ● Principal office of Associated established at Daytona Beach, Florida, and executive management functions centralized.

1955 ● Majority interest in The Philadelphia Coca-Cola Bottling Company acquired by Associated.

1959 ● Associated acquires operating control of Coca-Cola Bottling Company of St. Louis by purchase of minority interest.

1960 ● Sycamore Manufacturing Co., Inc., formed in 1959, starts producing and supplying bottle crowns to Associated's plants.

1963 ● Associated expands Florida operation by purchasing Tampa Coca-Cola Bottling Company.

1964 ● St. Petersburg Coca-Cola Bottling Company added to Associated's list of bottling plants in Florida.

1966 ● Associated Coca-Cola Bottling Plants, Inc. transferred all bottling operations to Associated Coca-Cola Bottling Co., Inc., a newly formed corporation, which becomes a publicly held company after Coca-Cola Bottling Company of St. Louis was acquired through merger.

Associated expands into Caribbean area by purchasing Jamaica Bottling Company, Ltd. and West Indies Distributing Corp. of St. Croix, U. S. Virgin Islands.

Associated acquires Doric Foods Corporation and Tip Top Delights, Inc.

1967 ● Associated purchases Dade City Coca-Cola Bottling Company in Florida and Elmira Coca-Cola Bottling Company in New York.

1969 ● Florida Coca-Cola Bottling Company redeems approximately 25 percent of its issued and outstanding common stock held by a minority interest making Associated its sole owner.

Associated becomes sole owner of Sarasota Coca-Cola Bottling Company after purchasing 50 percent of the issued and outstanding shares of common stock of that corporation.

Associated continues to expand in Florida by acquiring Lakeland Coca-Cola Bottling Company, Highlands Coca-Cola Bottling Co. of Avon Park, and the assets of Ridge Coca-Cola Bottling Company of Winter Haven.

1970 ● Florida Coca-Cola Bottling Company purchases the assets of Kissimmee Coca-Cola Bottling Company and Punta Gorda Coca-Cola Bottling Company.

1971 ● Associated sells its investment in St. Louis Coca-Cola Bottling Company.

Stockholders of Associated approve a 2 for 1 stock split and Associated makes second public offering of its Common Stock.

Associated purchases Coca-Cola Bottling Company of South Jersey, Atlantic City, New Jersey.

Florida Coca-Cola Bottling Company purchases the assets of two Florida bottlers, Palatka Coca-Cola Bottling Company and Green Cove Coca-Cola Bottling Co.

## MANUFACTURING AND DISTRIBUTION CENTERS

### UP-STATE NEW YORK MARKET

Albany – Bottling and Sales
Binghamton – Distribution Center
Cortland – Distribution Center
Elmira – Distribution Center
Glens Falls – Distribution Center
Gloversville – Distribution Center
Hudson – Distribution Center
Oneonta – Distribution Center
Seneca Falls – Distribution Center
*Syracuse – Bottling and Sales
Utica – Distribution Center
Watertown – Distribution Center

### PHILADELPHIA – CAMDEN – SOUTH JERSEY MARKET

Philadelphia, Pennsylvania – Bottling and Sales
Folcroft, Pennsylvania – Distribution Center
Lansdale, Pennsylvania – Distribution Center
Atlantic City, New Jersey – Distribution Center
Bridgeton, New Jersey – Distribution Center
*Camden, New Jersey – Bottling and Sales
Wildwood, New Jersey – Distribution Center

### TERRE HAUTE MARKET

Terre Haute, Indiana – Bottling and Sales
Paris, Illinois – Distribution Center
Rockville, Indiana – Distribution Center
Sullivan, Indiana – Distribution Center

### FLORIDA MARKET

Avon Park – Distribution Center
Cocoa – Bottling and Sales
Daytona Beach – Distribution Center
Ft. Pierce – Distribution Center
Gainesville – Bottling and Sales
Green Cove Springs – Distribution Center
Jacksonville – Bottling and Sales
South Jacksonville – Distribution Center
Lake City – Distribution Center
Lakeland – Distribution Center
Leesburg – Distribution Center
Live Oak – Distribution Center
Ocala – Distribution Center
*Orlando – Bottling and Sales
Palatka – Distribution Center
Punta Gorda – Distribution Center
St. Augustine – Distribution Center
St. Petersburg – Distribution Center
Sarasota – Bottling and Sales
Tampa – Bottling and Sales
Trenton – Distribution Center

### WEST INDIES MARKET

Kingston, Jamaica – Bottling and Sales
Montego Bay, Jamaica – Distribution Center
Christiansted, St. Croix, Virgin Islands
  Bottling and Sales
Charlotte Amalie, St. Thomas, Virgin Islands
  Distribution Center

### OTHER ACTIVITIES

Terre Haute, Indiana – Crown Plant
Mount Dora, Florida – Citrus Products and
  Plastic Containers

*Plants producing canned products

**MANUFACTURING AND DISTRIBUTION CENTERS**

BOTTLING AND SALES 🔴
DISTRIBUTION CENTER 🔵
CROWN PLANT ⚫
CITRUS PRODUCTS AND PLASTIC CONTAINERS 🟡

ASSOCIATED COCA-COLA BOTTLING CO., INC.
320 Orange Avenue — P.O. Box 111 — Daytona Beach, Florida 32015

## DIRECTORS

Charles I. Moore, Jr.
Arthur O. Reinking
Chapman S. Root
Berrien D. Sutton
Byron V. Underwood
Robert L. Voges
Richard W. Waller

## OFFICERS

Chapman S. Root
*Chairman of the Board*
Berrien D. Sutton
*President*
Charles I. Moore, Jr.
*Executive Vice President*
Charles R. Racey
*Vice President*
Robert L. Voges
*Vice President*
John E. Nuckolls
*Vice President*
Fredric F. Gruber
*Treasurer*
Robert R. Clauss
*Secretary*
C. Warren Grainge
*Controller*

## COUNSEL

D'Ancona, Pflaum, Wyatt & Riskind
*33 North LaSalle Street,*
*Chicago, Illinois 60602*

## AUDITORS

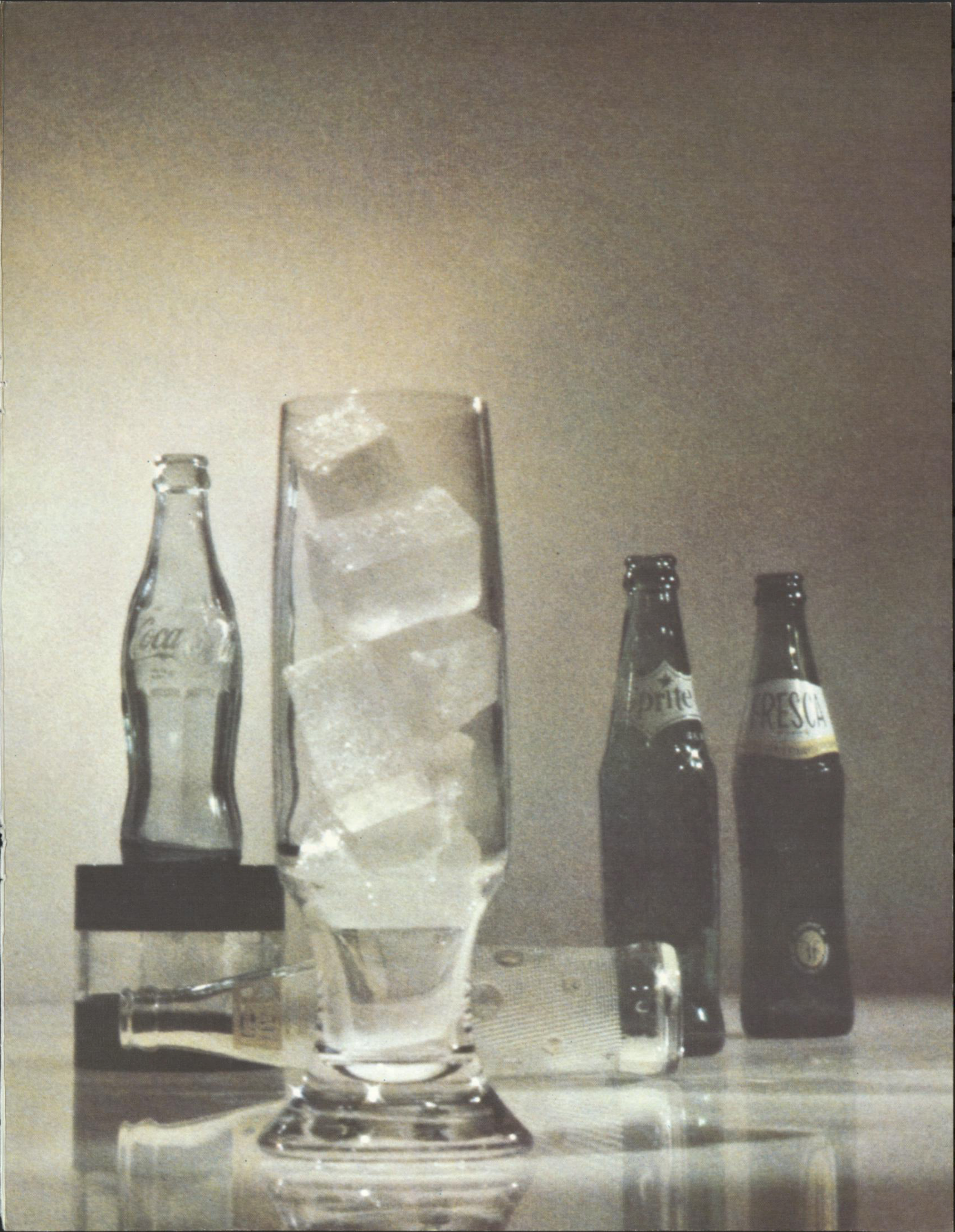
Arthur Young & Company
*111 West Monroe Street,*
*Chicago, Illinois 60603*

## TRANSFER AGENTS

Marine Midland Bank — New York
*New York, New York*
St. Louis Union Trust Company
*St. Louis, Missouri*

## REGISTRARS

The Bank of New York
*New York, New York*
First National Bank in St. Louis
*St. Louis, Missouri*


Coca-Cola
Sprite
FRESCA